Office Of The Under Secretary

DEPARTMENT OF THE AIR FORCE WASHINGTON, DC

6 Sep 2000

MEMORANDUM FOR

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.FROM:

SAF/IAX

1080 Air Force

Washington DC, 20330-1080

SUBJECT:

Air Refueling Training Programs (IAX 00020)

Air Mobility Command (AMC) recently raised a pricing issue relating to Foreign Military Sales (FMS) KC-135 training at McConnell AFB, KS. AMC identified an appearance of double billing for air refueling support when both the receiver and air refueler are operated by one nation during the same air refueling flight.

As an example, Republic of Singapore Air Force (RSAF) has an Air Refueling Training Program (Peace Guardian) which operates USAF KC-135 tankers, and on occasion refuels RSAF Peace Carvin (F-16) aircraft during training missions. The RSAF is not double billed if Peace Carvin is charged routine applicable boom time and mission costs (per AFI 11-222), even if Peace Guardian pays full mission costs for the "leased" USAF tanker.

SAF/IAX in coordination with SAF/GCI and SAF/FMBIS conducted a review to address AMC's concerns and to develop appropriate policy. The following policy is effective immediately:

- Air refueling training programs are "stand alone." They are not financially linked with any other FMS training program unless the financial linkage is specifically outlined in the applicable Letter(s) of Offer and Acceptance (LOA).
- Each FMS program is dedicated to a unique training requirement described in the LOA and FMS pricing is based accordingly. The USAF does not offer price reductions/offsets when a Purchaser obtaining services under one FMS case interacts with its nationals obtaining services under a separate FMS case. In both cases, the cost of the FMS training event is based on the specific requirements of the individual program.
- Costs associated with each FMS case are stated in the applicable LOA and should not be reduced/offset due if a Purchaser's training programs overlap, regardless of whether the occurrence is programmed or unprogrammed.

If you have any questions or need additional information, please contact Lewis Witt, SAF/IAXM, (703) 588-8960, DSN 425-8960, or email lewis.witt@pentagon.af.mil.

TERRY BATES

Chief, Policy Division

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